

FRESNO COUNTY ECONOMIC FORECAST

Fresno County is creating jobs at a rapid rate. In 2017, the county gained 8,200 jobs, representing a growth rate of 2.2 percent. The best performing sectors were construction, leisure services, healthcare, and government. Together, these industries accounted for 90 percent of net job creation during the year.

Construction activity is accelerating. More than 3,000 homes were built in 2017, and more than \$300 million was invested into non-residential structures. Most of this activity was in Clovis and the City of Fresno, where construction began on 2,300 houses and apartments, and \$100 million was invested into new office, retail, logistics, and hotel facilities.

People are moving to Fresno County for its affordable homes and growing job prospects. Across Coastal California, households often spend more than 35 percent of their income on mortgage payments and rent. But in Fresno County this figure is typically less than 25 percent, although there are a substantial number of households near the poverty line that spend much more.

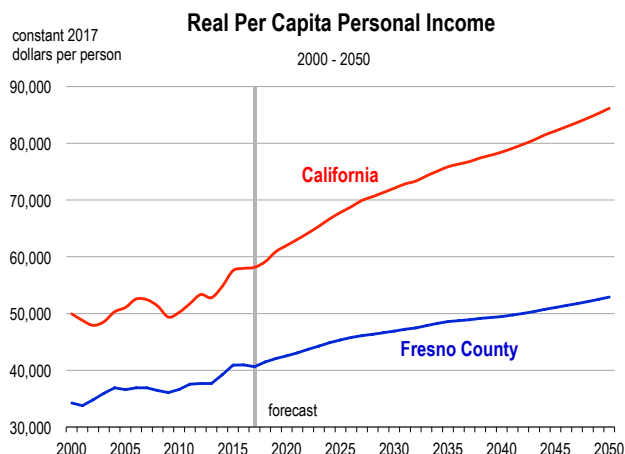
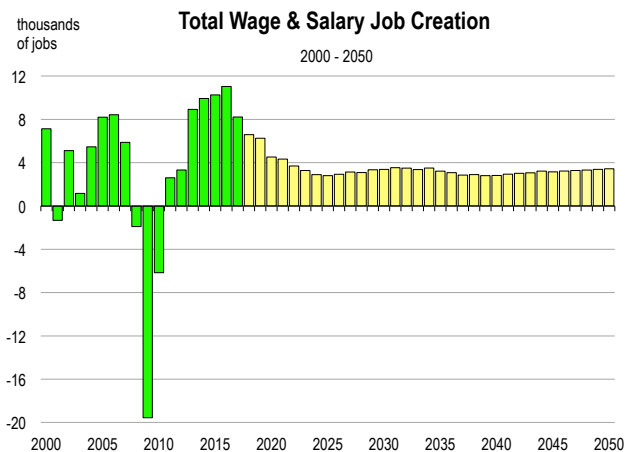
Affordable housing and increasing job prospects are being observed in most of the Central Valley, making it the fastest growing region of the state. This includes Fresno County, where more than 2,000 net migrants entered the county in 2017, leading to overall population growth of 1.2 percent.

Fresno County is becoming a hub for the logistics industry. Because it has affordable real estate and is in close proximity to most major California markets, logistics firms are relocating to Fresno County, and a number of large corporations have established fulfillment centers in the region. In 2017 the county gained 4,900 trucking jobs and 1,400 warehousing jobs, making the logistics industry one of the fastest growing sectors.

The unemployment rate improved substantially last year, falling from 9.5 percent in 2016 to 8.5 percent in 2017. But it is still much higher than most parts of California. This is largely due to Fresno County's prominent share of seasonal workers (primarily in agriculture), who are often unemployed for several months each year. Because of this dynamic, the Fresno County unemployment rate is already near its lowest sustainable level, and is not expected to improve substantially during the forecast period.

FORECAST HIGHLIGHTS

- In 2018, total wage and salary employment will increase by 1.7 percent. From 2018 to 2023, total employment will grow at an annual average rate of 1.1 percent.
- The strongest employment gains will be observed in education and healthcare, leisure and hospitality, government, and professional business services. Combined, these industries will account for 74 percent of net job creation between 2018 and 2023.
- Average salaries are currently below the California State average, and will remain so over the foreseeable future. In Fresno County, inflation-adjusted salaries are expected to rise by an average of 1.5 percent per year between 2018 and 2023, which will be slower than statewide growth.

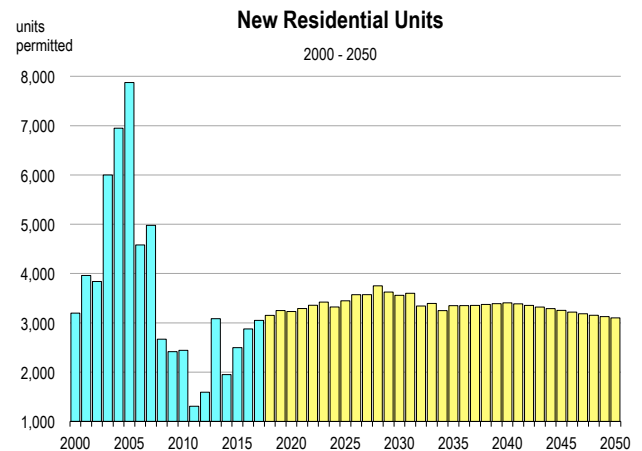
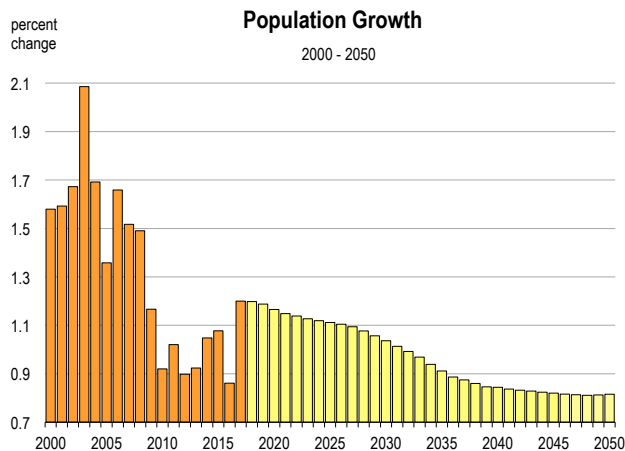


- Housing production will accelerate over the forecast period, with an average of 3,300 units built each year through 2023.
- Because Fresno County has large amounts of buildable land, the development process will spread out into single-family communities, rather than be forced up into multifamily skyscrapers.
- The development pipeline is largest in Clovis, where a single project could deliver more than 10,000 homes. Large projects have also been proposed in Selma and Friant, and many new structures will be built in the City of Fresno.
- The population will continue to expand quickly. Annual growth in the 2018-2023 period is expected to average 1.2 percent.
- Net migration will remain strong, with an average of 1,900 net migrants entering the county each year through 2023. And because Fresno County has a young population, the natural increase (new births) will add 10,100 residents to the county each year.

Fresno County Economic Forecast

2010-2017 History, 2018-2050 Forecast

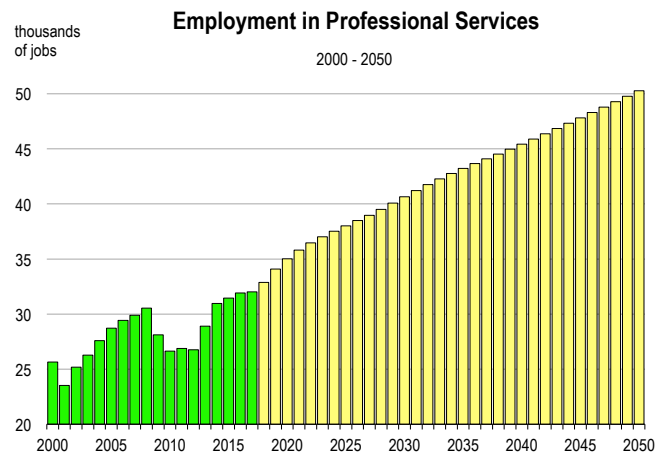
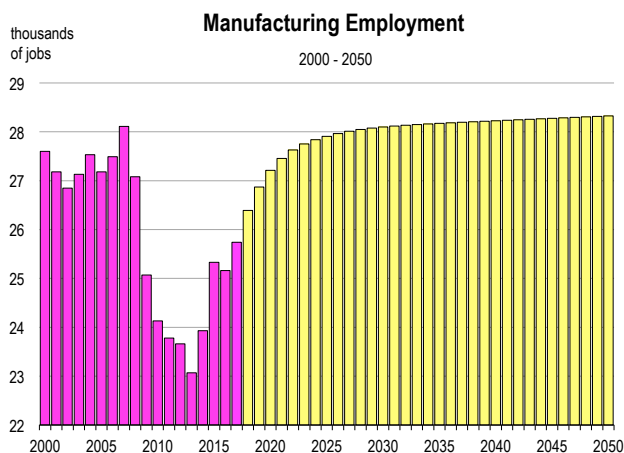
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	932,392	-1,980	721	289.4	2,444	\$10.2	\$29.5	\$36,624	1.3	6.9	7.4	16.7
2011	941,904	-825	717	291.0	1,308	\$11.2	\$31.3	\$37,563	2.7	7.7	7.1	16.5
2012	950,364	-1,235	719	293.2	1,592	\$12.0	\$32.4	\$37,687	2.7	7.3	7.3	15.1
2013	959,142	-429	742	296.0	3,083	\$12.6	\$33.2	\$37,675	2.3	7.0	7.4	13.3
2014	969,193	503	757	298.0	1,949	\$13.3	\$35.5	\$39,185	2.8	7.6	7.8	11.6
2015	979,636	1,349	780	300.5	2,496	\$14.1	\$38.0	\$40,897	2.6	7.0	8.3	10.2
2016	988,072	-629	805	303.1	2,877	\$14.1	\$39.3	\$40,948	3.1	6.4	8.3	9.5
2017	999,929	2,327	812	306.5	3,050	\$14.7	\$40.6	\$40,612	3.2	6.3	8.5	8.5
2018	1,011,909	2,447	822	308.9	3,152	\$15.5	\$43.2	\$41,482	3.7	6.4	9.1	8.1
2019	1,023,928	2,254	829	311.8	3,250	\$16.2	\$45.4	\$42,057	3.1	6.4	9.2	7.8
2020	1,035,862	1,982	835	314.7	3,230	\$17.0	\$48.0	\$42,554	4.1	6.5	9.4	8.0
2021	1,047,758	1,812	841	317.7	3,291	\$17.7	\$50.5	\$43,079	3.6	6.5	9.7	8.1
2022	1,059,687	1,719	847	320.7	3,357	\$18.5	\$53.2	\$43,693	3.5	6.6	10.0	8.2
2023	1,071,630	1,621	853	323.7	3,421	\$19.3	\$56.0	\$44,273	3.4	6.6	10.3	8.4
2024	1,083,623	1,564	858	326.8	3,322	\$20.1	\$58.8	\$44,853	3.3	6.7	10.6	8.5
2025	1,095,671	1,534	864	329.8	3,447	\$21.0	\$61.5	\$45,331	3.1	6.7	10.8	8.6
2026	1,107,774	1,532	870	332.9	3,571	\$21.8	\$64.2	\$45,783	3.1	6.8	11.0	8.6
2027	1,119,895	1,506	877	336.0	3,572	\$22.7	\$66.8	\$46,104	3.0	6.9	11.3	8.6
2028	1,131,955	1,400	884	339.2	3,751	\$23.6	\$69.6	\$46,338	3.3	6.9	11.5	8.6
2029	1,143,917	1,236	891	342.5	3,625	\$24.4	\$72.4	\$46,622	3.1	7.0	11.8	8.6
2030	1,155,772	1,090	899	345.8	3,559	\$25.3	\$75.2	\$46,915	3.0	7.0	12.1	8.5
2031	1,167,484	926	908	349.0	3,600	\$26.3	\$78.1	\$47,241	2.9	7.1	12.3	8.5
2032	1,179,068	778	917	352.3	3,342	\$27.3	\$81.0	\$47,458	3.1	7.1	12.6	8.5
2033	1,190,491	611	926	355.4	3,394	\$28.4	\$84.1	\$47,878	2.7	7.2	12.9	8.5
2034	1,201,668	419	935	358.5	3,248	\$29.5	\$87.4	\$48,263	2.9	7.2	13.2	8.4
2035	1,212,622	249	945	361.5	3,349	\$30.6	\$90.7	\$48,585	3.0	7.3	13.5	8.4
2036	1,223,373	119	955	364.5	3,350	\$31.8	\$94.2	\$48,754	3.4	7.3	13.7	8.4
2037	1,234,074	120	966	367.5	3,354	\$32.9	\$97.9	\$48,890	3.5	7.4	14.0	8.4
2038	1,244,688	82	978	370.5	3,373	\$34.0	\$101.7	\$49,126	3.3	7.4	14.4	8.4
2039	1,255,218	54	988	373.5	3,389	\$35.1	\$105.7	\$49,288	3.5	7.5	14.7	8.4
2040	1,265,814	118	998	376.5	3,406	\$36.3	\$109.8	\$49,476	3.4	7.5	15.0	8.4
2041	1,276,407	52	1,007	379.5	3,386	\$37.4	\$113.9	\$49,739	3.2	7.6	15.3	8.4
2042	1,287,028	8	1,016	382.6	3,354	\$38.6	\$118.2	\$50,032	3.1	7.7	15.7	8.3
2043	1,297,692	-29	1,024	385.6	3,321	\$39.8	\$122.6	\$50,357	3.0	7.7	16.0	8.3
2044	1,308,384	-91	1,032	388.6	3,289	\$41.0	\$127.1	\$50,757	2.8	7.8	16.4	8.3
2045	1,319,114	-161	1,039	391.6	3,253	\$42.2	\$131.7	\$51,065	3.0	7.8	16.7	8.3
2046	1,329,878	-257	1,045	394.6	3,218	\$43.4	\$136.5	\$51,405	2.9	7.9	17.1	8.3
2047	1,340,696	-340	1,051	397.5	3,184	\$44.7	\$141.4	\$51,747	2.9	7.9	17.5	8.3
2048	1,351,570	-423	1,058	400.4	3,154	\$46.1	\$146.6	\$52,109	2.9	8.0	17.8	8.2
2049	1,362,552	-452	1,066	403.3	3,127	\$47.4	\$152.0	\$52,492	2.9	8.0	18.2	8.2
2050	1,373,664	-455	1,073	406.2	3,101	\$48.9	\$157.7	\$52,892	2.9	8.1	18.6	8.2

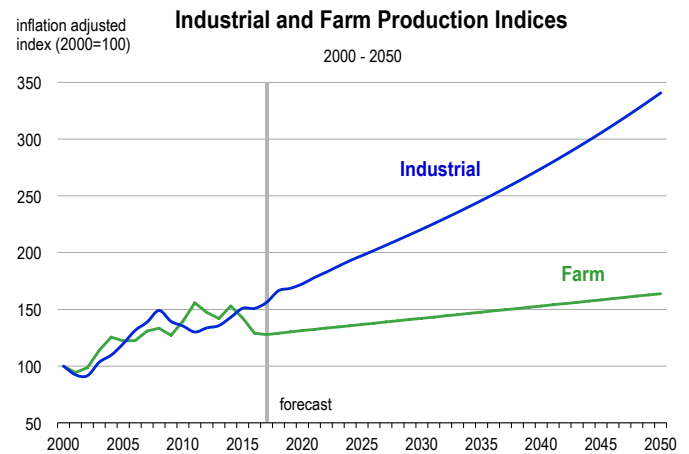
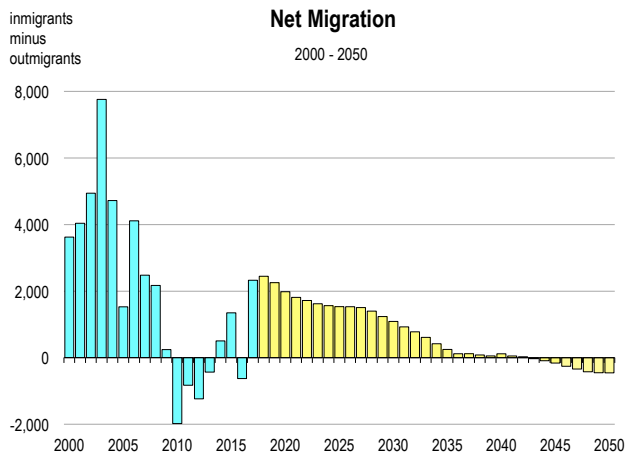
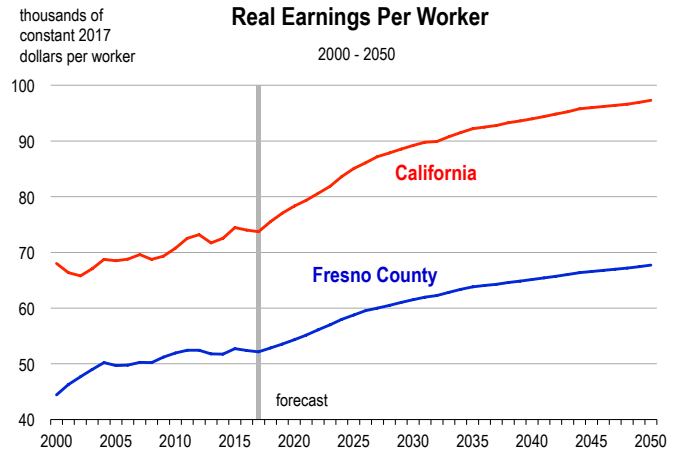
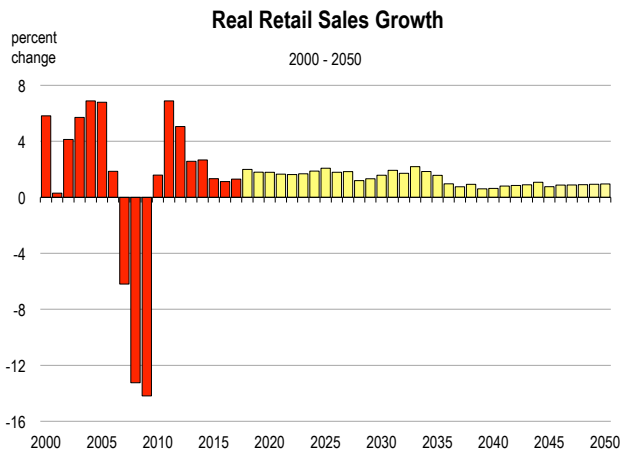


Fresno County Employment Forecast

2010-2017 History, 2018-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
employment (thousands of jobs)-----												
2010	336.7	46.0	12.0	24.1	10.8	44.3	13.4	26.6	3.6	51.6	26.8	67.1
2011	339.3	47.9	11.5	23.8	11.4	45.9	13.0	26.9	3.5	52.1	27.1	65.7
2012	342.6	48.9	12.2	23.7	11.6	46.6	12.9	26.8	3.8	53.3	28.0	64.1
2013	351.5	49.2	13.1	23.1	12.0	48.7	12.9	28.9	3.8	55.4	29.0	64.2
2014	361.5	48.8	13.9	23.9	11.9	50.1	12.8	31.0	3.9	57.0	30.6	66.3
2015	371.7	47.3	15.0	25.3	12.3	51.2	13.0	31.5	3.9	60.4	31.4	68.7
2016	382.8	46.9	16.0	25.2	12.8	52.9	13.3	31.9	3.8	64.3	32.8	71.0
2017	391.0	46.5	17.3	25.7	13.1	53.1	13.5	32.0	3.6	67.8	34.0	72.4
2018	397.6	46.7	17.9	26.4	13.3	53.5	13.6	32.9	3.7	69.2	35.0	73.3
2019	403.8	47.1	18.2	26.9	13.5	53.9	13.6	34.1	3.7	70.4	35.6	74.6
2020	408.4	47.0	18.3	27.2	13.7	54.2	13.7	35.0	3.7	71.2	35.8	75.9
2021	412.7	47.0	18.3	27.5	13.9	54.5	13.7	35.8	3.8	72.1	36.4	77.1
2022	416.4	47.0	18.3	27.6	14.1	54.9	13.7	36.5	3.8	73.0	37.0	77.7
2023	419.7	47.1	18.2	27.8	14.2	55.2	13.7	37.0	3.8	73.8	37.6	78.2
2024	422.6	47.2	18.1	27.8	14.4	55.6	13.7	37.5	3.8	74.7	38.0	78.6
2025	425.4	47.2	17.9	27.9	14.6	56.1	13.8	38.0	3.8	75.5	38.2	79.1
2026	428.3	47.3	17.9	28.0	14.7	56.4	13.8	38.5	3.9	76.4	38.5	79.6
2027	431.4	47.3	18.0	28.0	14.9	56.9	13.8	39.0	3.9	77.3	38.8	80.2
2028	434.5	47.4	17.9	28.0	15.0	57.1	13.8	39.5	3.9	78.3	39.1	80.8
2029	437.9	47.4	18.0	28.1	15.2	57.4	13.9	40.1	3.9	79.4	39.4	81.3
2030	441.2	47.5	17.9	28.1	15.4	57.8	13.9	40.7	3.9	80.5	39.8	82.0
2031	444.8	47.5	17.9	28.1	15.5	58.2	13.9	41.2	3.9	81.6	40.2	82.6
2032	448.3	47.6	17.9	28.1	15.7	58.7	13.9	41.8	4.0	82.7	40.6	83.3
2033	451.6	47.6	17.7	28.1	15.8	59.2	13.9	42.3	4.0	83.8	41.0	84.0
2034	455.1	47.7	17.7	28.2	16.0	59.7	13.9	42.8	4.0	84.9	41.3	84.7
2035	458.4	47.7	17.6	28.2	16.1	60.1	13.9	43.2	4.0	85.9	41.7	85.3
2036	461.4	47.8	17.7	28.2	16.3	60.3	13.9	43.7	4.0	87.0	42.1	85.8
2037	464.3	47.9	17.8	28.2	16.4	60.5	14.0	44.1	4.1	88.0	42.5	86.2
2038	467.2	47.9	17.8	28.2	16.6	60.7	14.0	44.5	4.1	89.1	42.9	86.6
2039	470.0	48.0	17.8	28.2	16.7	60.9	14.0	45.0	4.1	90.2	43.3	87.0
2040	472.8	48.0	17.9	28.2	16.9	61.1	14.0	45.4	4.1	91.2	43.7	87.3
2041	475.8	48.1	17.9	28.2	17.0	61.3	14.0	45.9	4.1	92.3	44.2	87.7
2042	478.8	48.1	17.9	28.2	17.1	61.5	14.0	46.4	4.2	93.3	44.6	88.2
2043	481.8	48.2	17.9	28.3	17.3	61.8	14.0	46.8	4.2	94.4	45.0	88.7
2044	485.1	48.2	17.9	28.3	17.4	62.1	14.1	47.3	4.2	95.5	45.4	89.4
2045	488.2	48.3	17.9	28.3	17.5	62.3	14.1	47.8	4.2	96.6	45.8	90.0
2046	491.4	48.3	17.9	28.3	17.7	62.5	14.1	48.3	4.2	97.6	46.2	90.6
2047	494.7	48.4	17.9	28.3	17.8	62.8	14.1	48.8	4.3	98.7	46.7	91.4
2048	498.0	48.4	17.9	28.3	17.9	63.0	14.1	49.3	4.3	99.9	47.1	92.1
2049	501.4	48.5	17.9	28.3	18.0	63.3	14.1	49.8	4.3	101.0	47.5	92.8
2050	504.8	48.6	17.9	28.3	18.2	63.6	14.2	50.3	4.3	102.1	47.9	93.6





County Economic and Demographic Indicators

Projected Economic Growth (2018-2023)

Expected retail sales growth:	8.6%
Expected job growth:	5.6%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	13.0%

Expected population growth:	5.9%
Net migration to account for:	15.7%
Expected growth in number of vehicles:	3.7%

Demographics (2018)

Unemployment rate (April 2018):	7.5%
County rank* in California (58 counties):	50th
Working age (16-64) population:	62.6%

Population with B.A. or higher:	19.4%
Median home selling price (2017):	\$250,000
Median household income:	\$50,933

Quality of Life

Violent crime rate (2016):	583 per 100,000 persons
County rank* in California (58 counties):	50th
Average commute time to work (2018):	24 minutes

High school drop out rate (2017):	9.5%
Households at/below poverty line (2018):	21.5%

* The county ranked 1st corresponds to the lowest rate in California